

# **NAFTA**

## **Effect on Ohio's Beef Industry**

### **Discussion Guide for County Agents**

**by**

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# **Old Policies and Changes**

## ***Mexico*** ---

### **1. No Duties**

- Live cattle
- Fresh, chilled, frozen beef

### **2. 20% Tariff**

- Edible beef offal
- 10 year phase-out

## ***U.S.*** ---

### **1. Tariff**

- 2 cents per pound beef
- 1.5% on live cattle
- Immediate elimination

### **2. Volume Restriction**

- Only effective once since 1956
- U.S. meat import law no longer applies to Mexican beef exports

# **Current Trade Patterns**

## **Mexican/U.S. Cattle Industries Complementary**

*Mexico Primary Source of  
Feeder Cattle for U.S.*

### **Annual Exports to U.S.**

- 1 Million Feeders
- 1,000 Tons Beef

*U.S. Has Feeding Advantage:  
Lower Feed Costs*

### **Annual Exports to Mexico**

- 140,000 Live Cattle
- 64,000 Tons Beef

# **NAFTA Effects**

## **Increased Trade in Both Directions**

*More Mexican Feeders to U.S.*

- Temporary 50% increase

*More U.S. Fed Cattle to Mexico*

- Maybe 700 percent

*More U.S. Beef to Mexico*

- Maybe triple

**Mexican Trade Small  
Relative to  
Total U.S. Production**

# **Summary**

## ***Little Overall Effect on Total U.S. Production and Prices***

- + 50 ¢ to \$1 per cwt.  
(about 1%)**
- + \$200 - \$400 Million  
Industry Revenue**

## ***Unnoticeable Effect in Ohio***

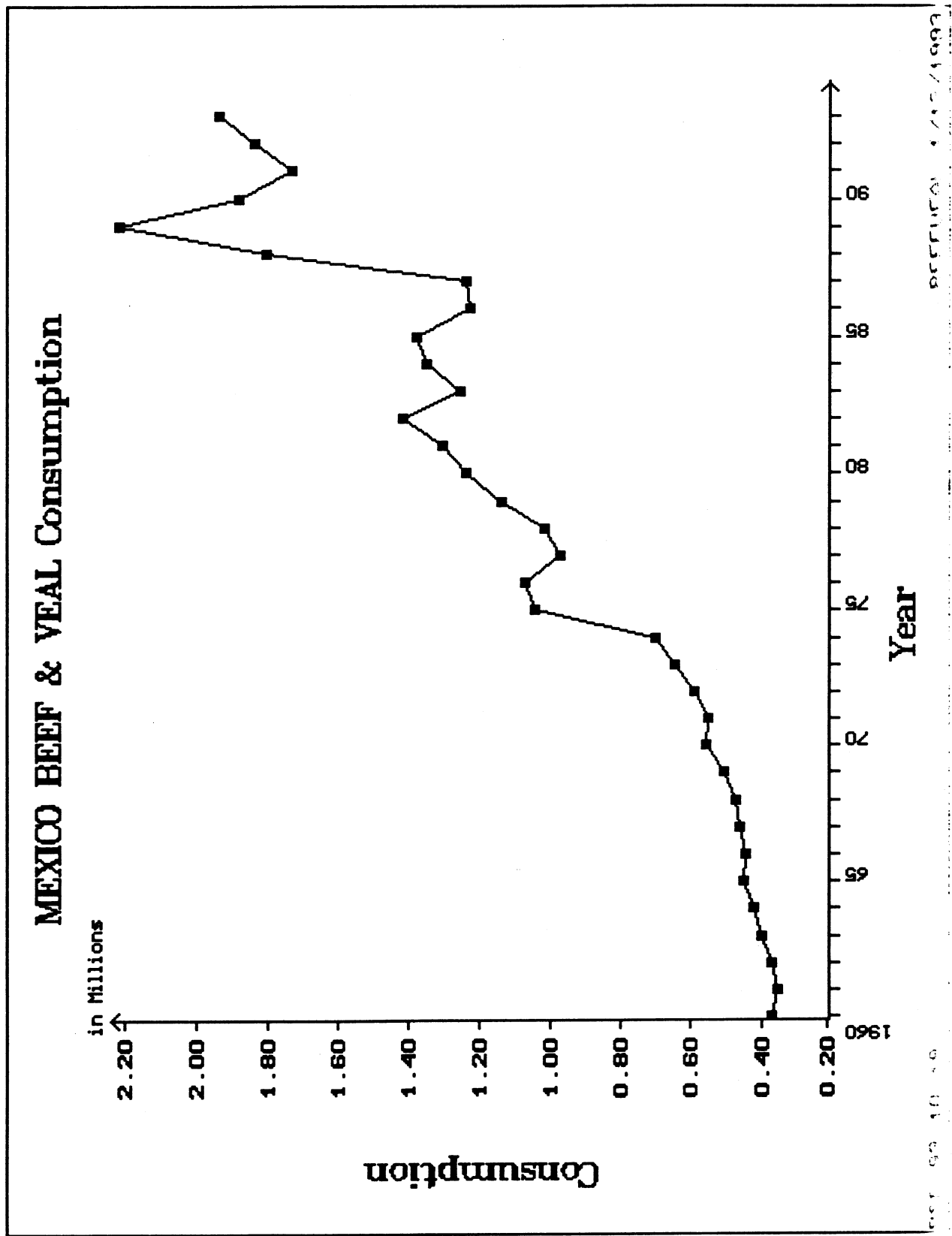
- Temporary Increase in  
Feeder Imports Will Go  
into Western Lots**
- Hard to Identify \$5 - 10  
Increase in Calf Price  
(1 to 2 cents per pound)**

## Beef and Veal Production and Trade NAFTA Countries

	Canada	Mexico	U.S.
- - - - - 1,000 mt. - - - - -			
<i>Production</i>			
1990	924	1,790	10,464
1991	893	1,580	10,534
1992	930	1,660	10,648
1993	945	1,720	10,751
<i>Exports</i>			
1990	110	5	456
1991	109	4	539
1992	170	5	610
1993	180	10	671
<i>Imports</i>			
1990	185	60	1,069
1991	217	120	1,091
1992	240	150	1,093
1993	240	190	1,089

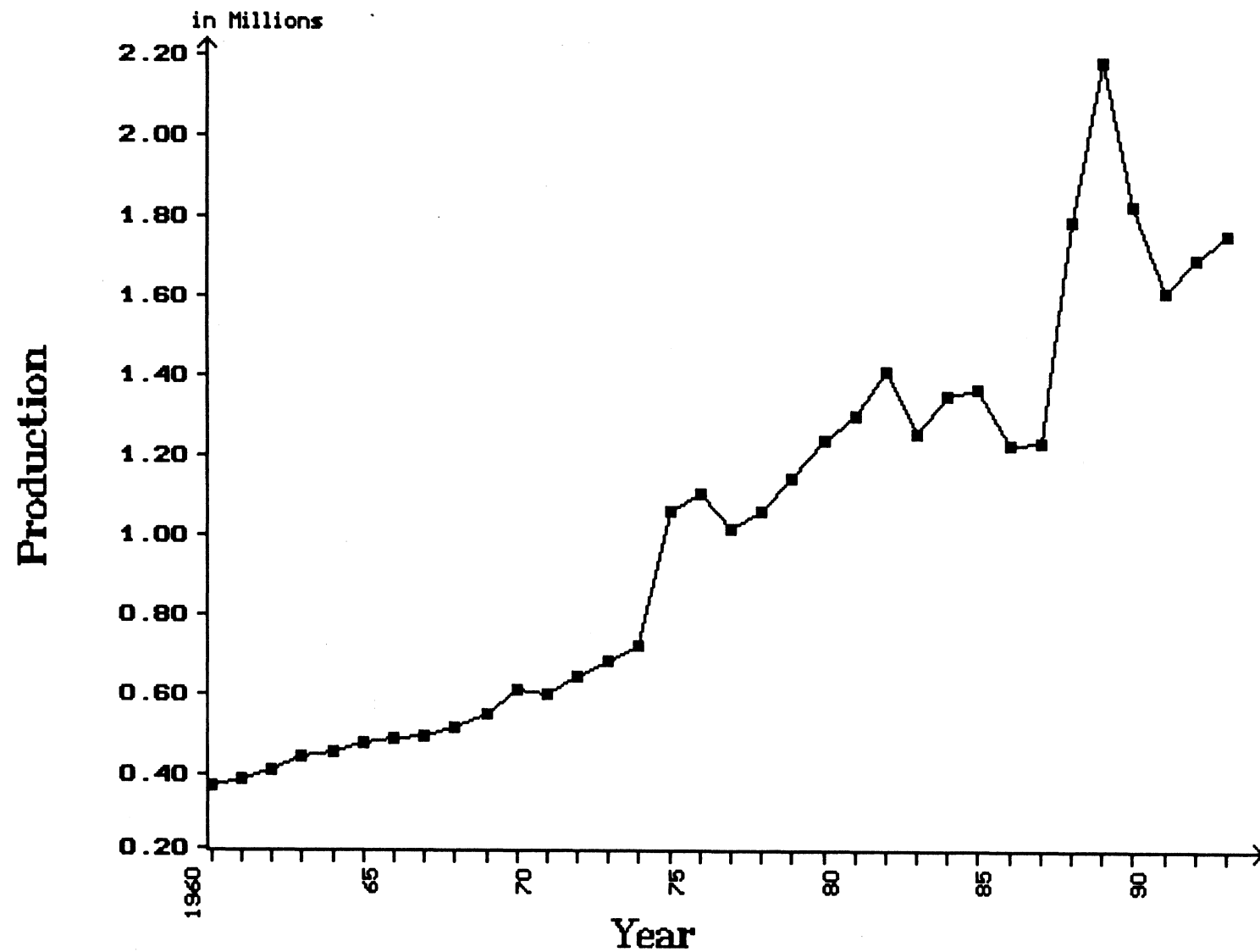
## Live Cattle Inventory and Trade NAFTA Countries

	Canada	Mexico	U.S.
- - - - - 1,000's - - - - -			
<i>Inventory</i>			
1990	11,147	31,747	98,162
1991	11,198	27,847	98,896
1992	11,416	30,232	100,110
1993	11,595	30,712	102,000
<i>Exports</i>			
1990	884	1,263	120
1991	914	1,035	311
1992	1,020	900	365
1993	1,000	1,200	355
<i>Imports</i>			
1990	36	65	2,135
1991	88	220	1,939
1992	60	250	2,050
1993	50	300	2,000





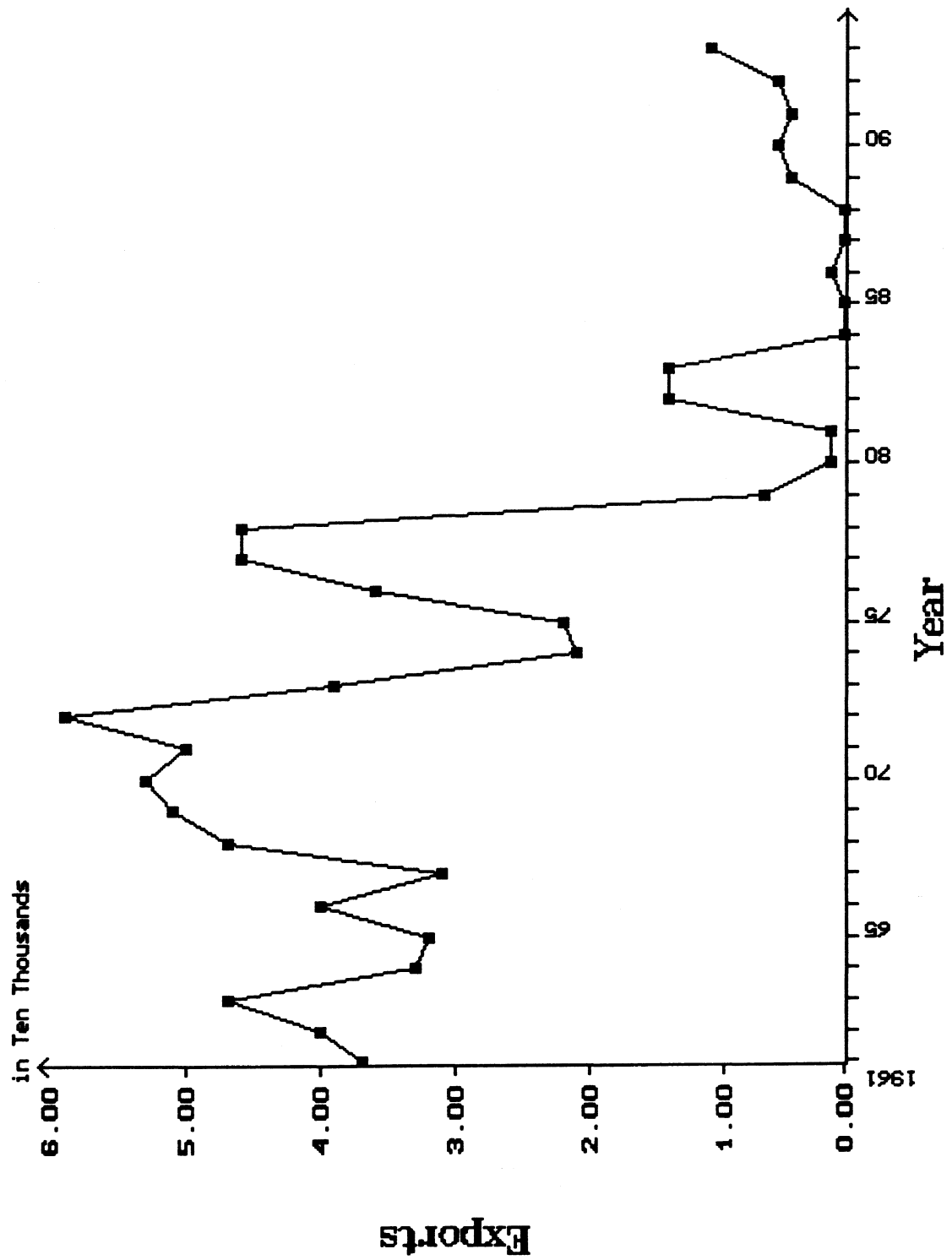
## MEXICO BEEF & VEAL Production



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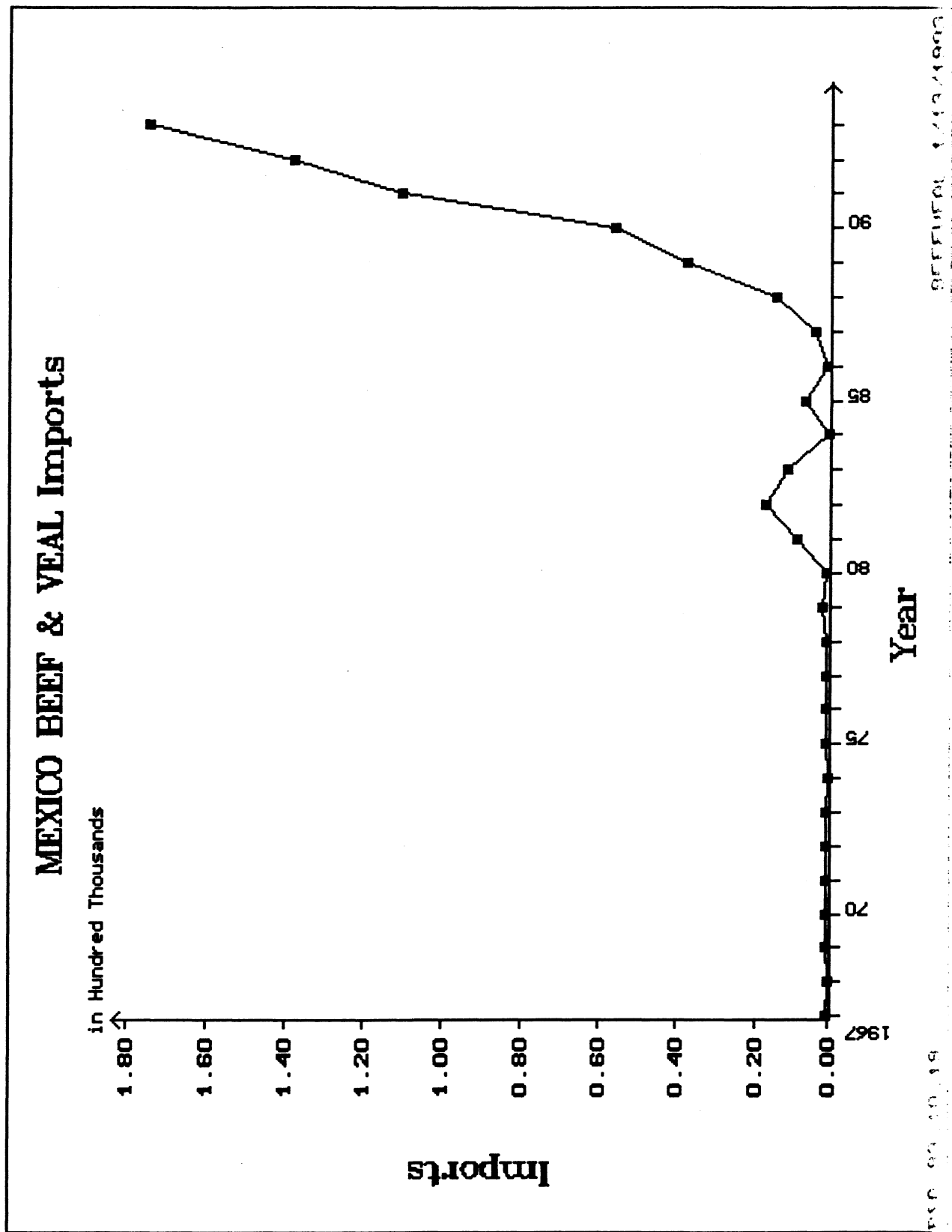
BEFVEAL 1/13/1993

# MEXICO BEEF & VEAL Exports

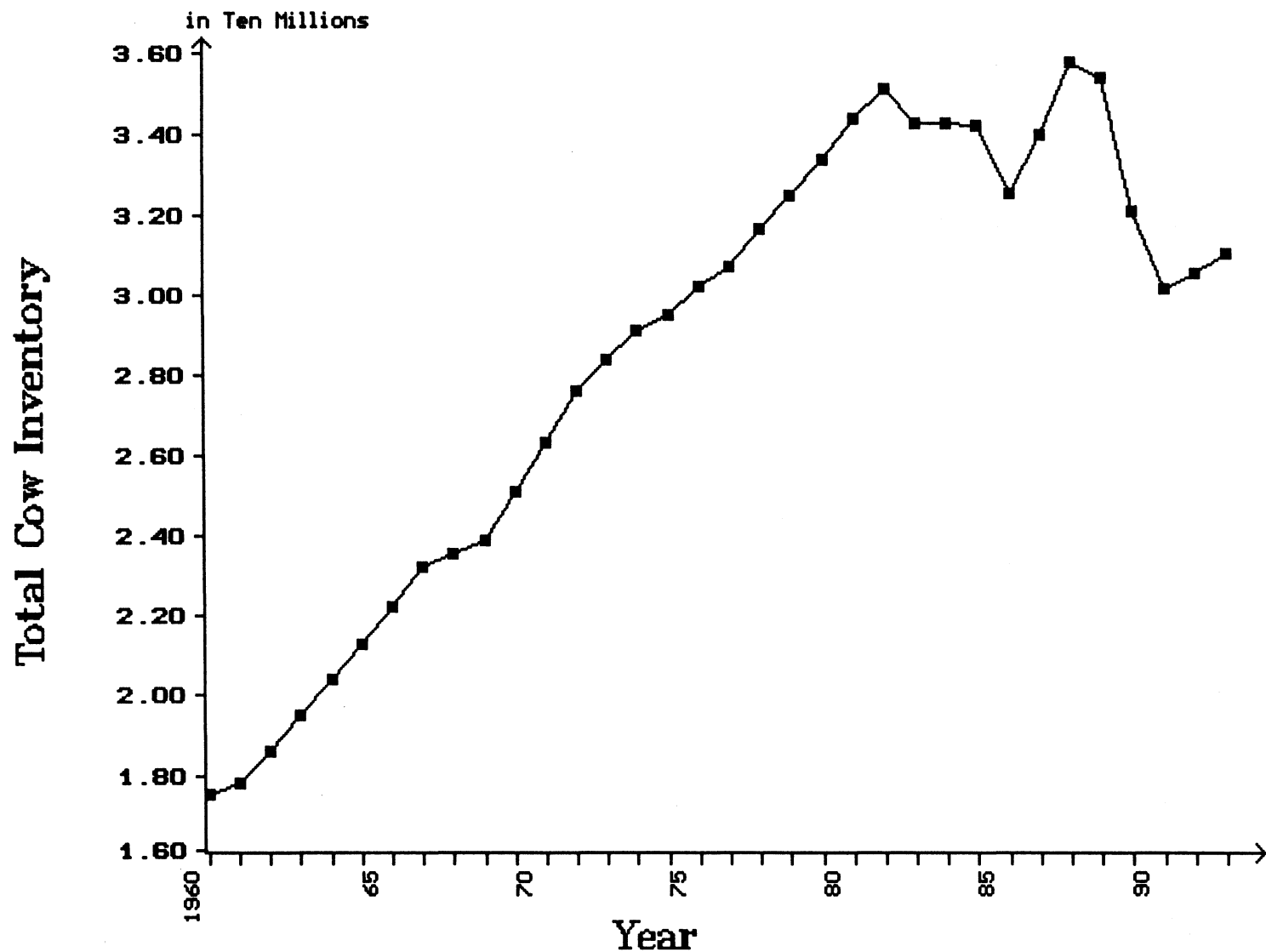


Source: USDA, Foreign Agricultural Service

U.S. Department of Agriculture

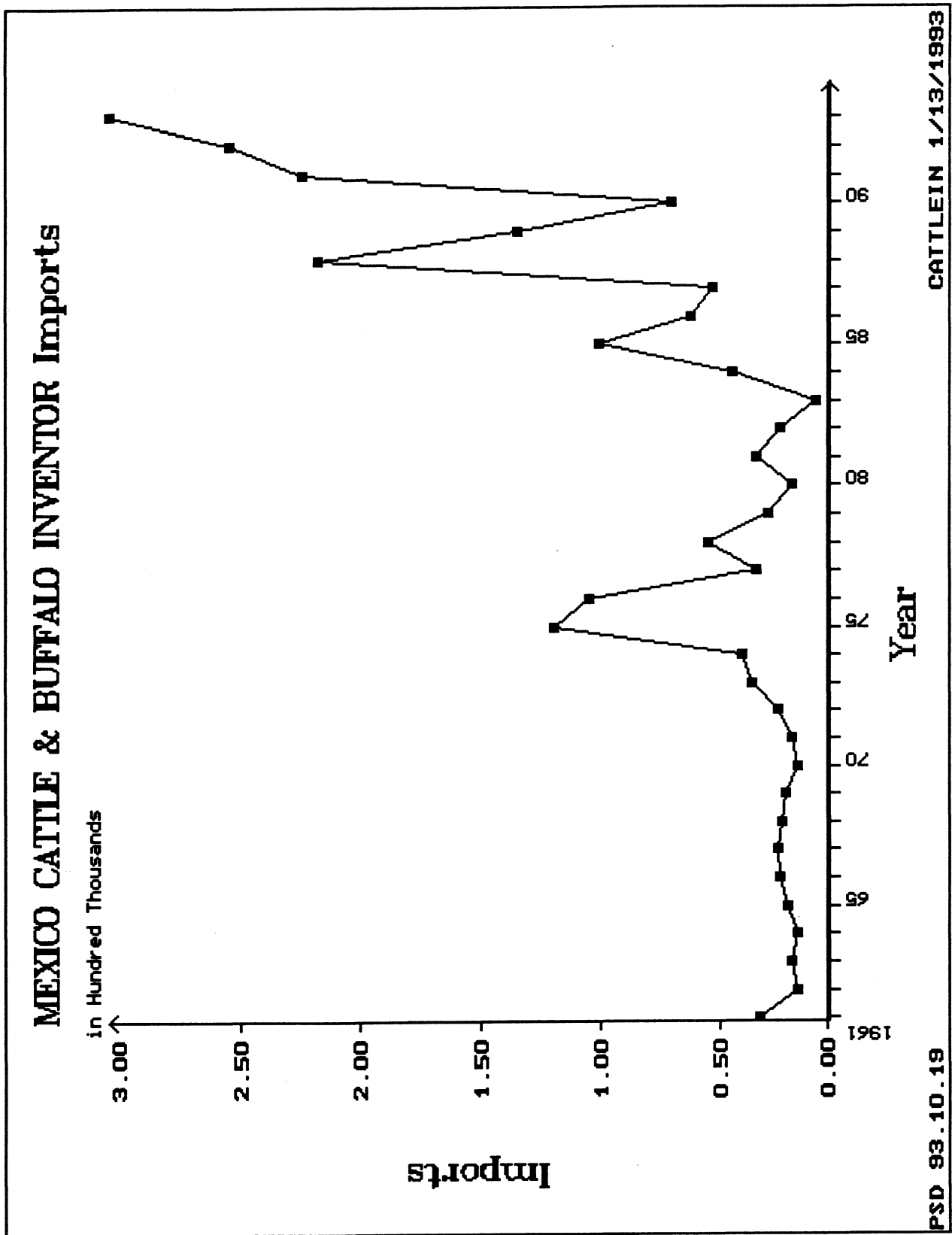


# MEXICO CATTLE & BUFFALO INVENTOR Total Cow Inventory

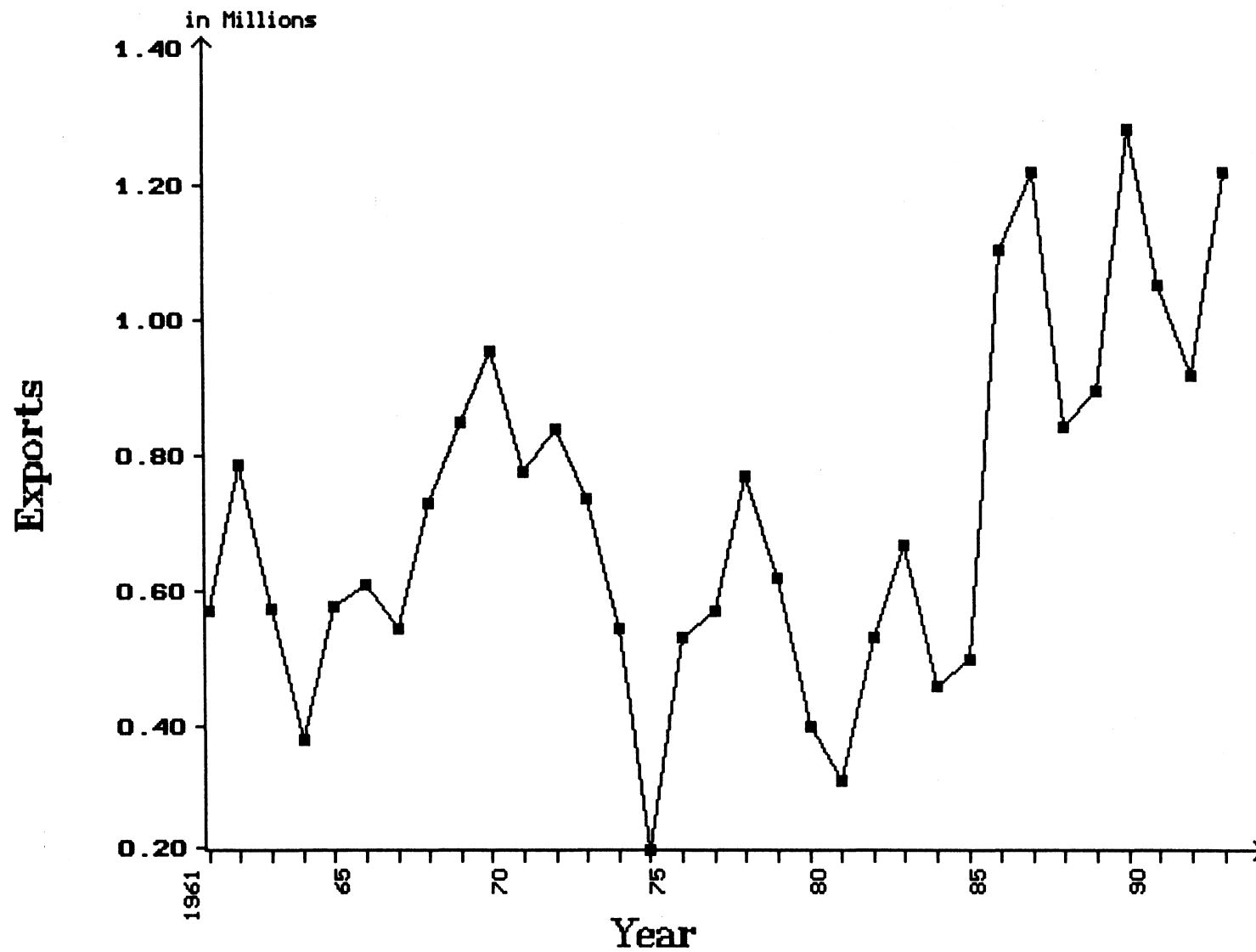


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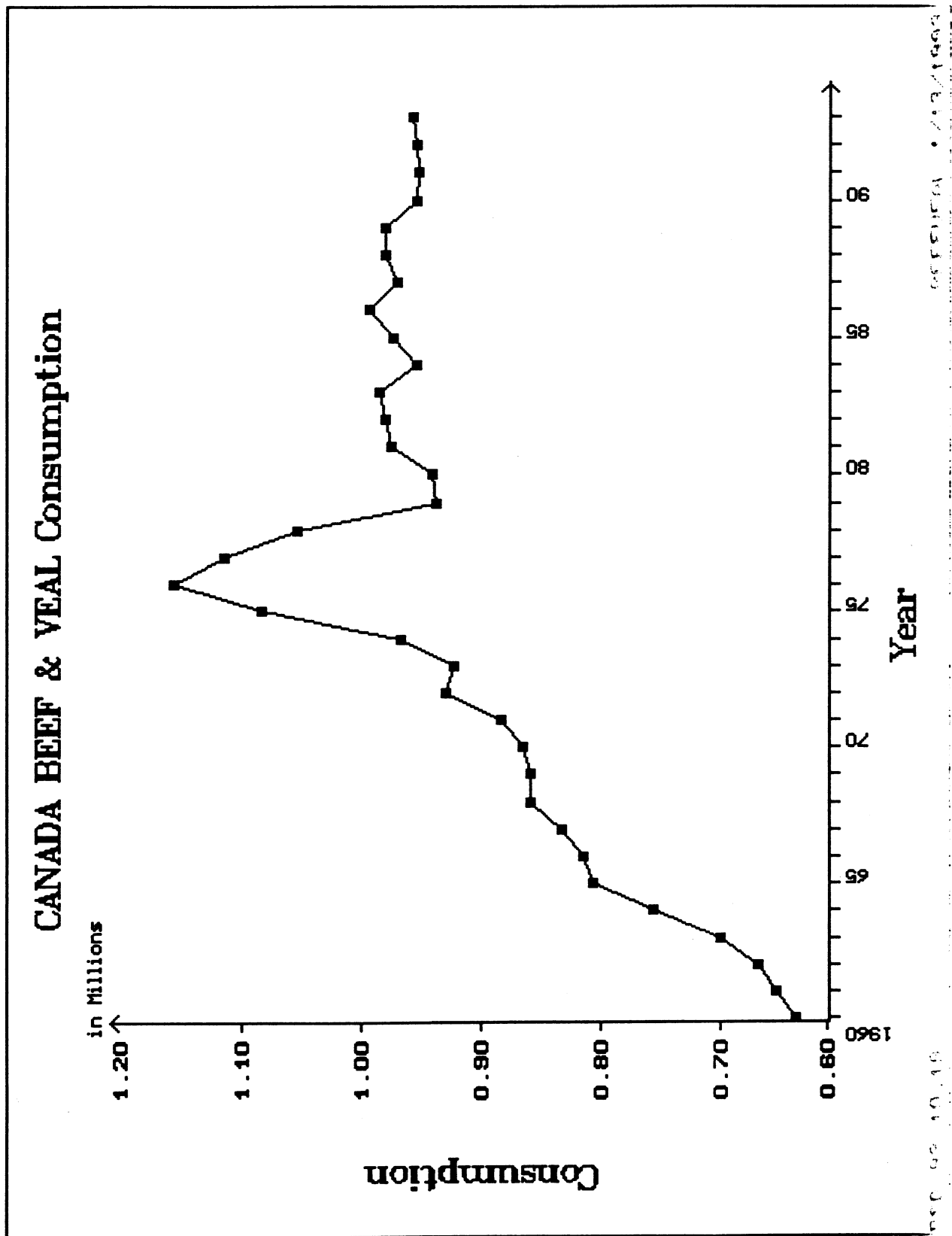


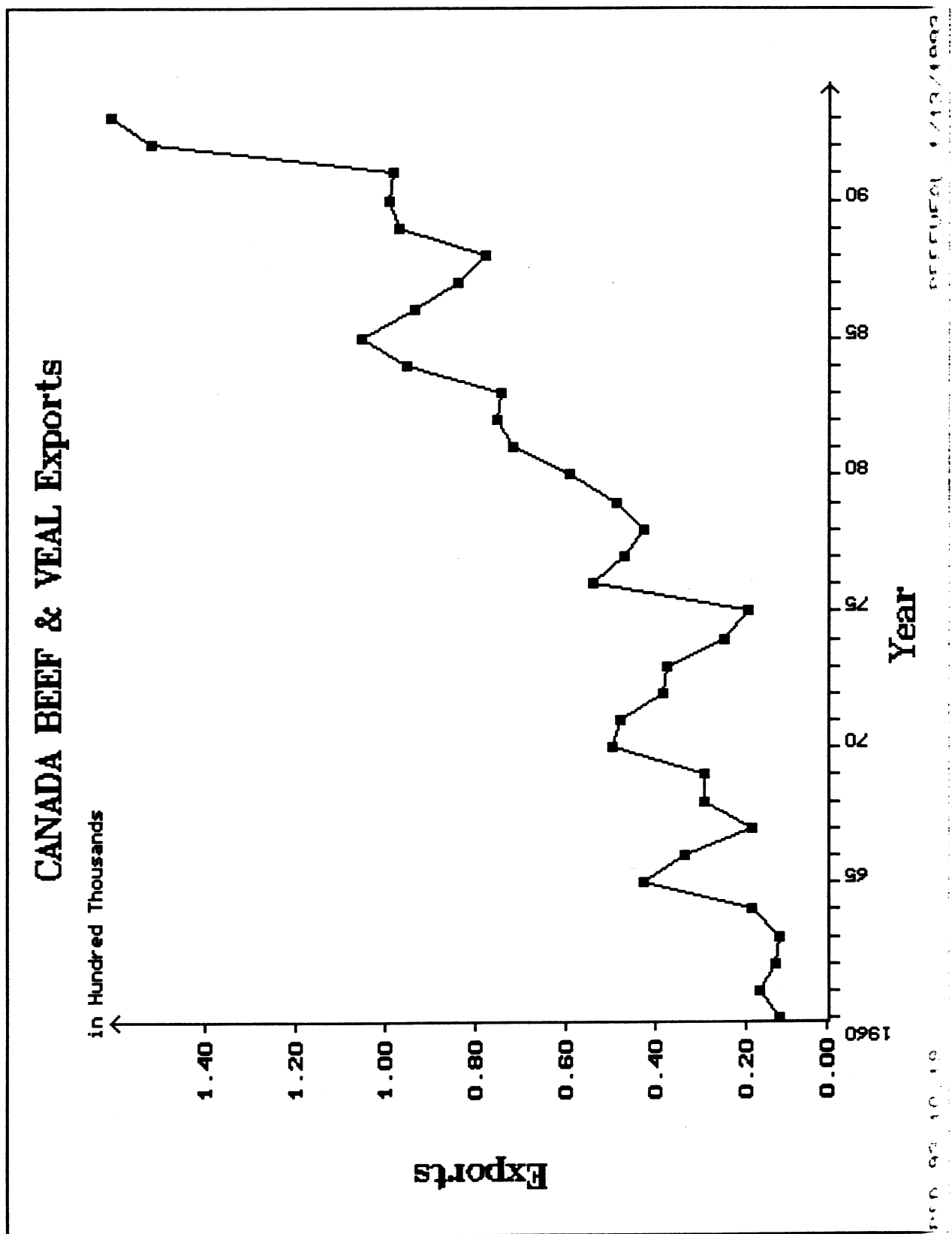
## MEXICO CATTLE & BUFFALO INVENTOR Exports



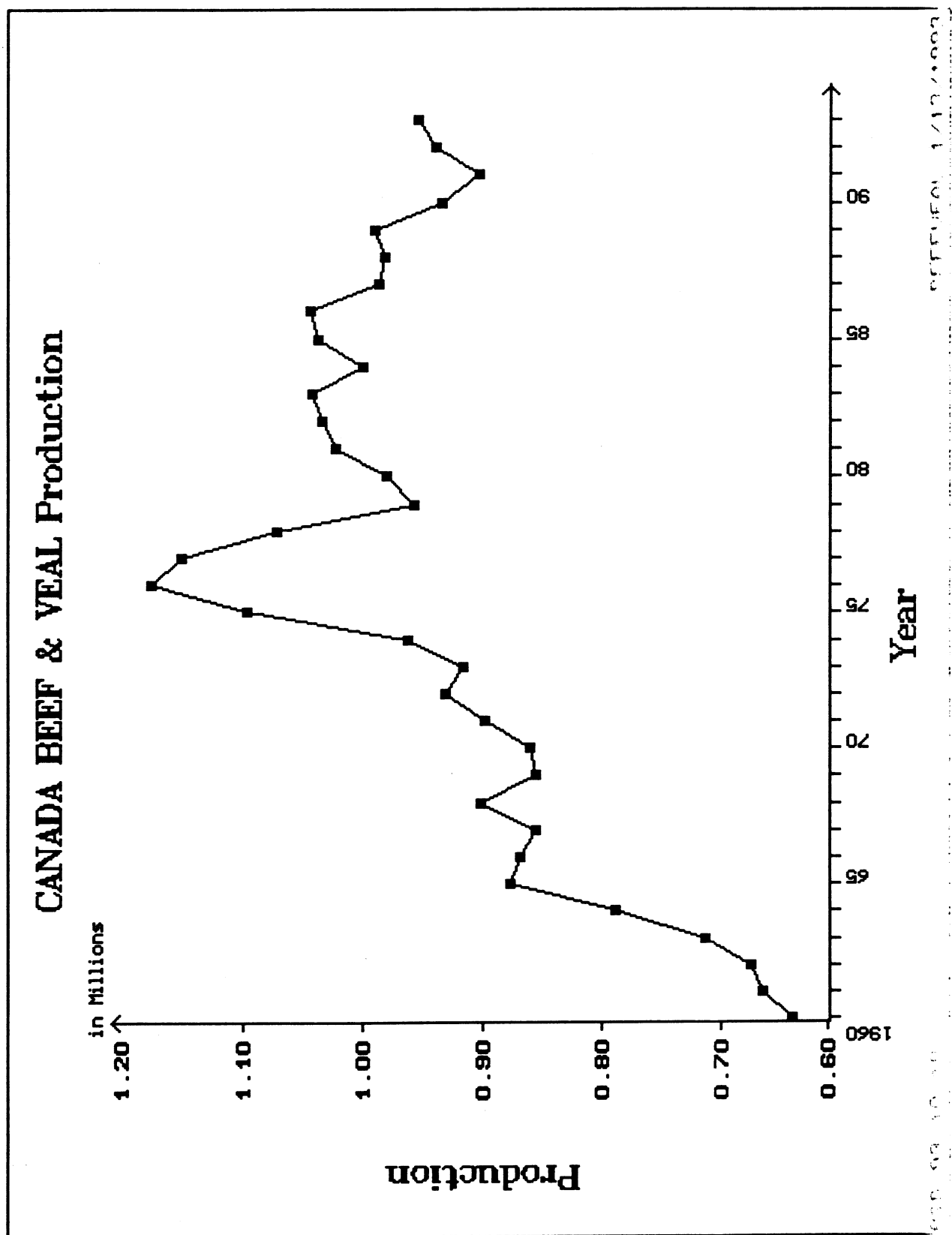
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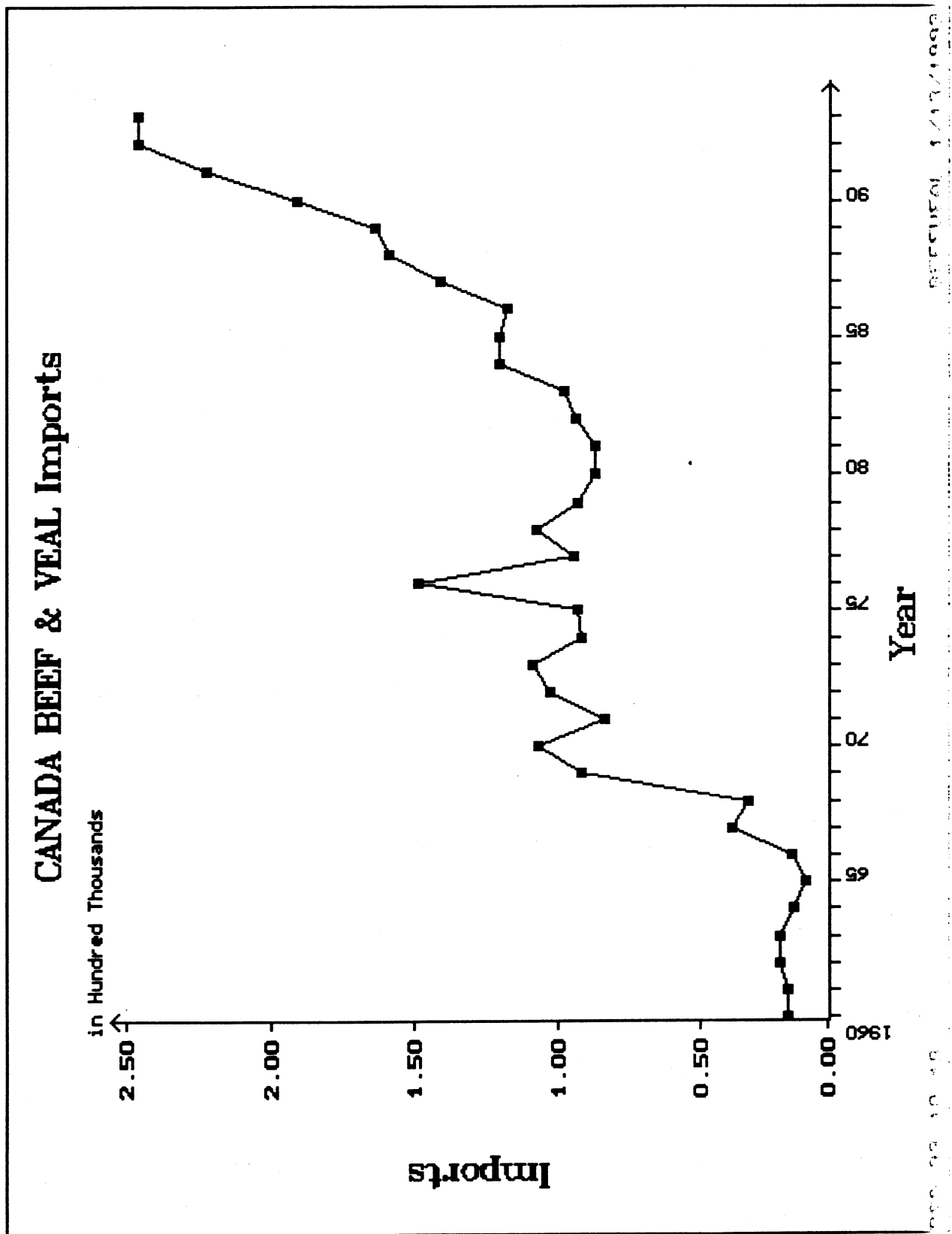
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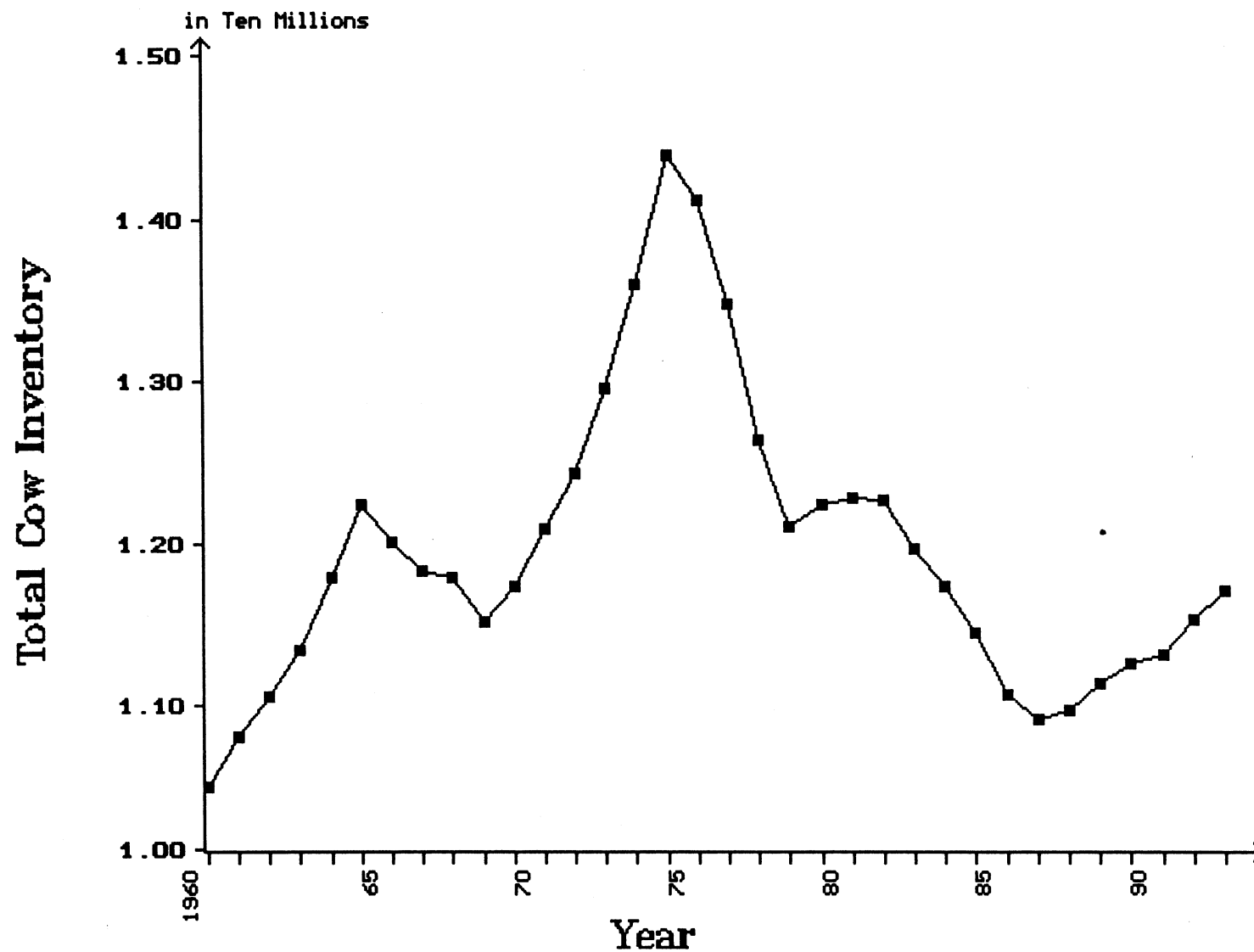








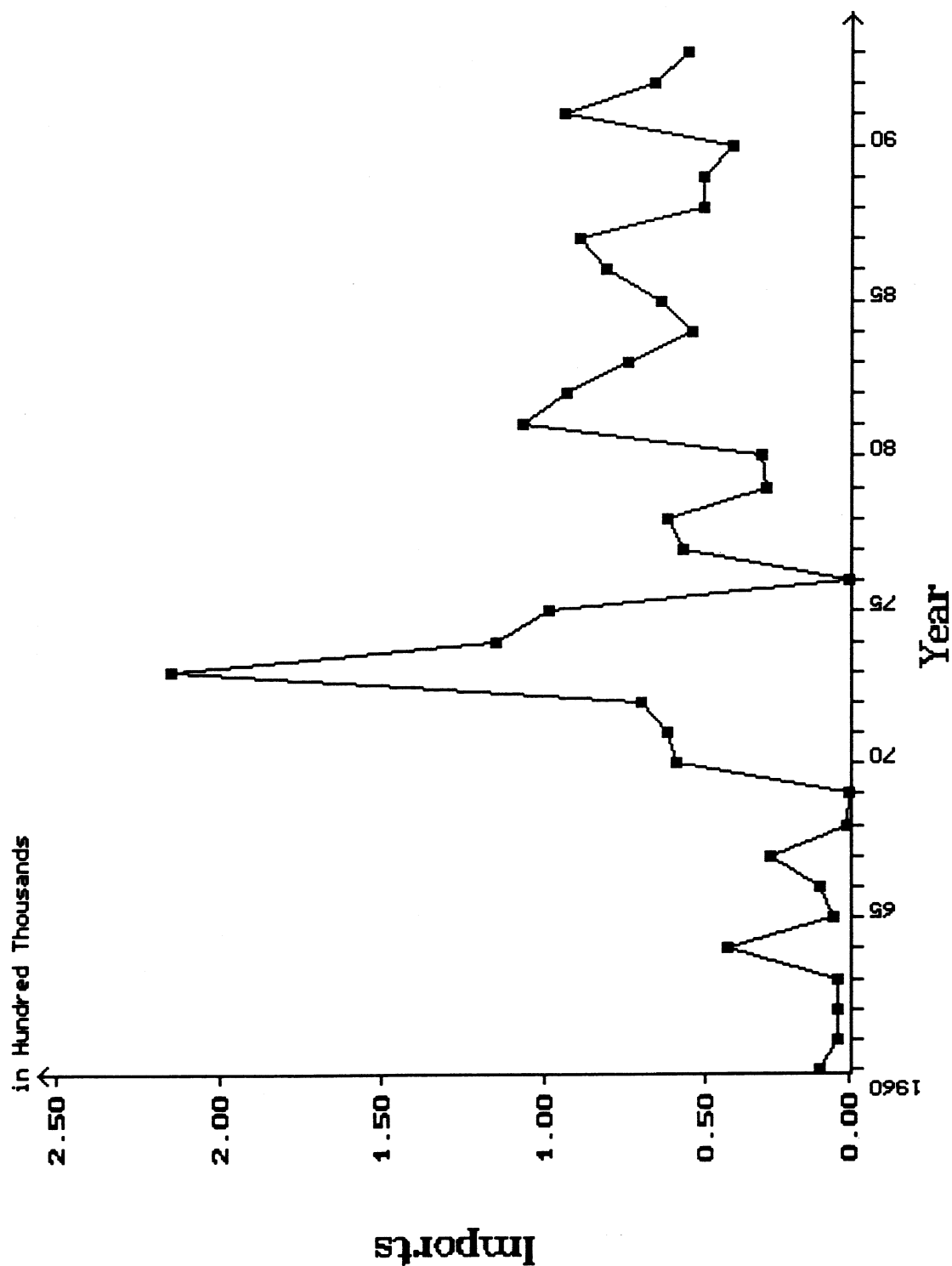
## CANADA CATTLE & BUFFALO INVENTOR Total Cow Inventory



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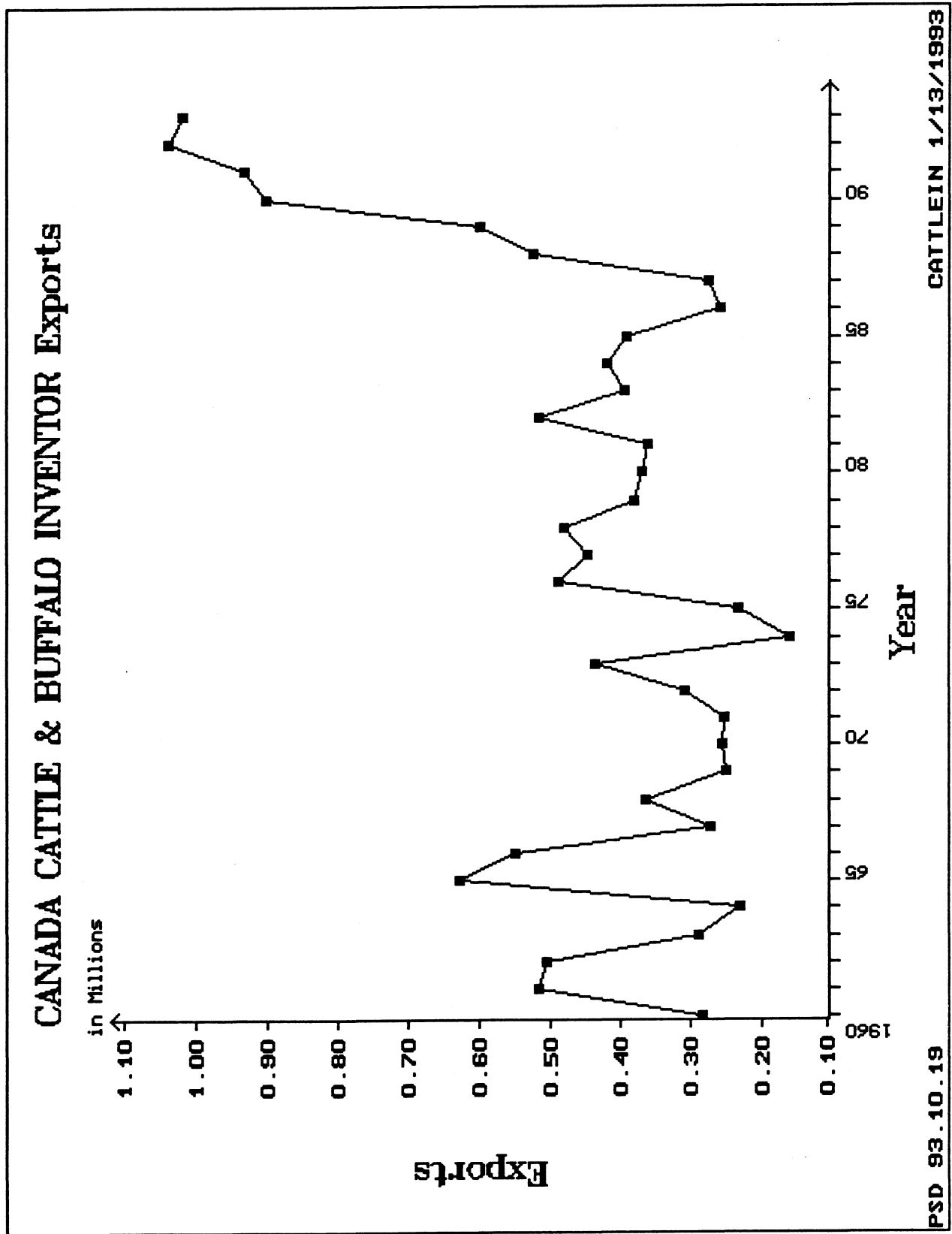
CATTLEIN 1/13/1993

# CANADA CATTLE & BUFFALO INVENTOR IMPORTS

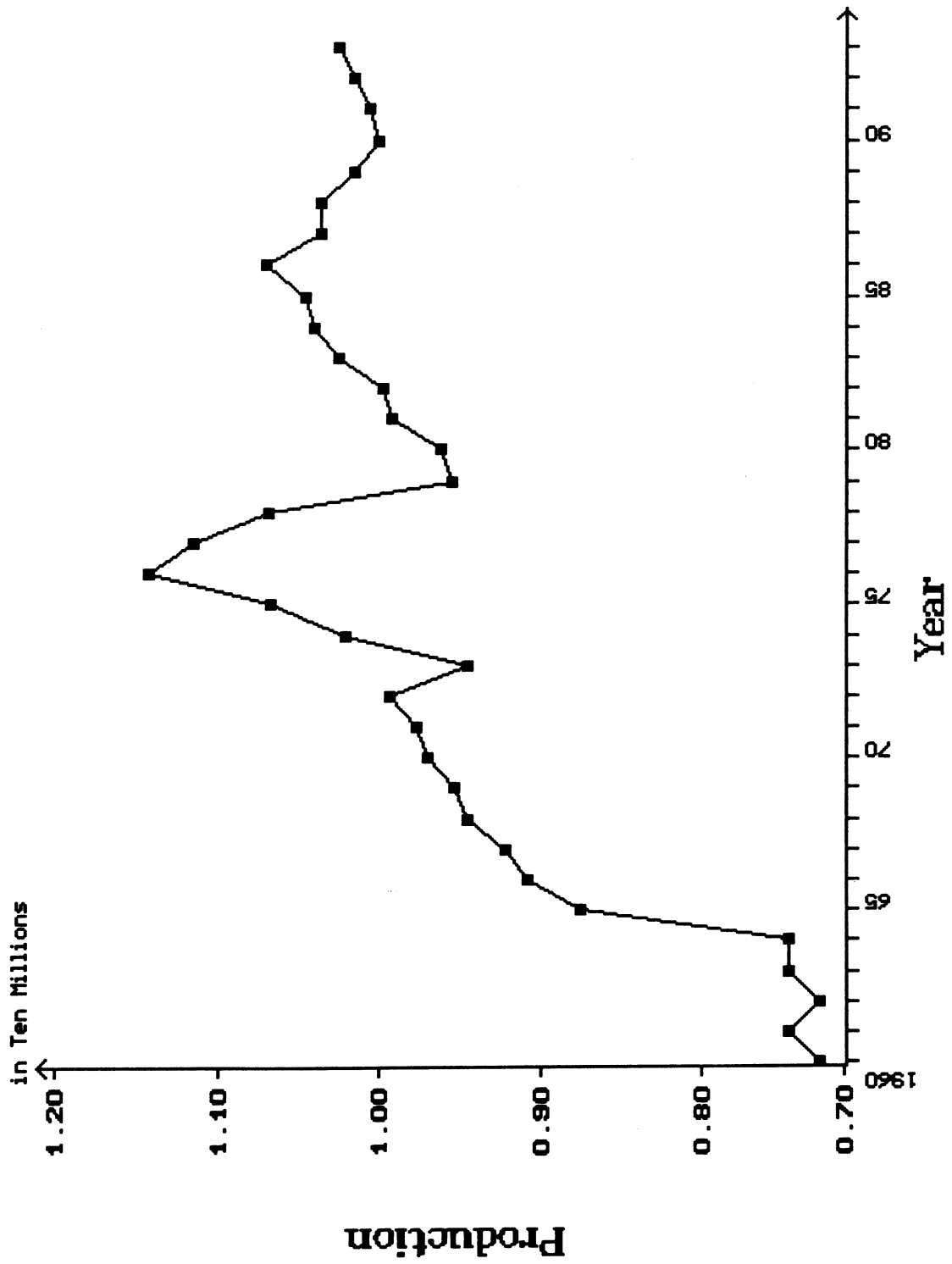


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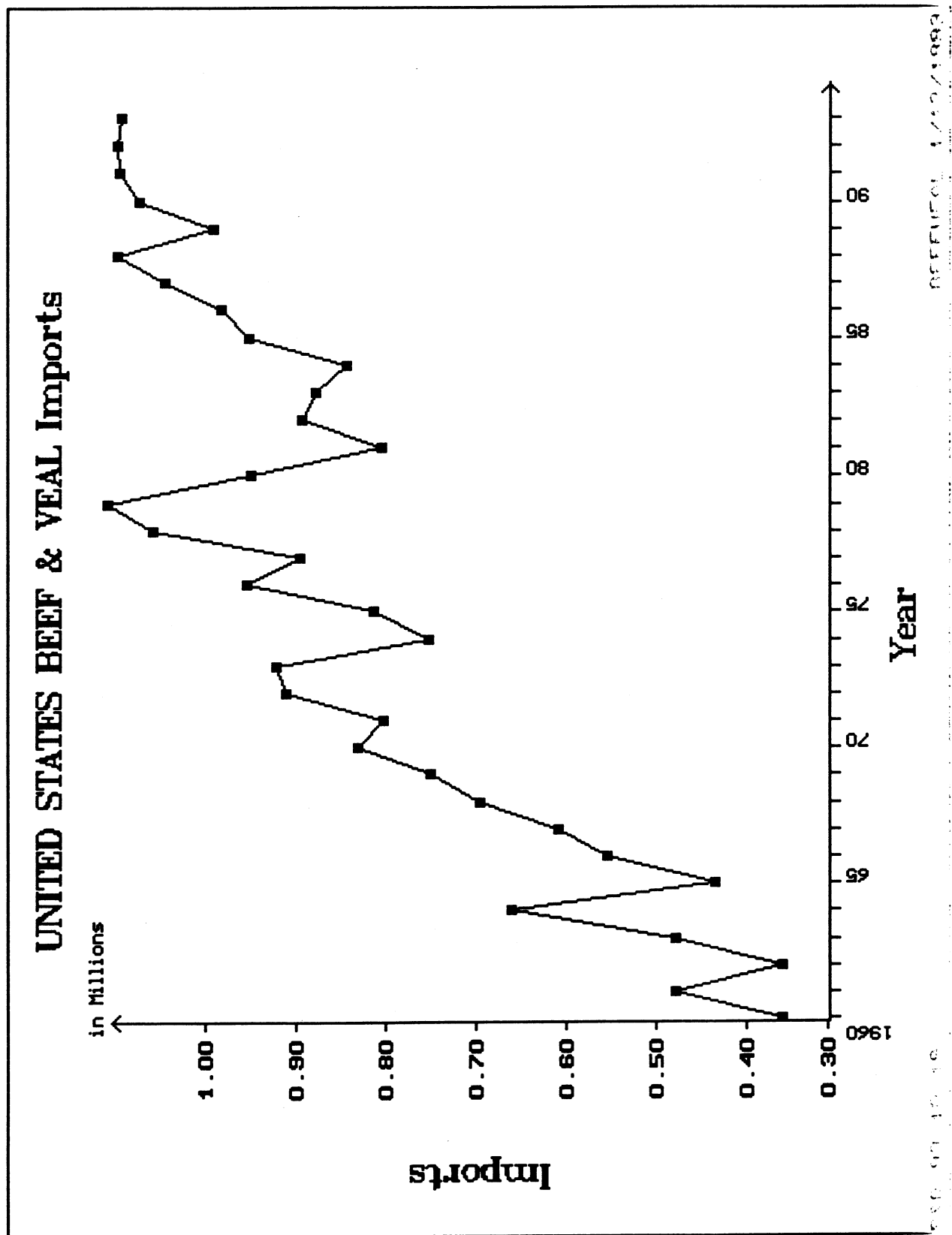


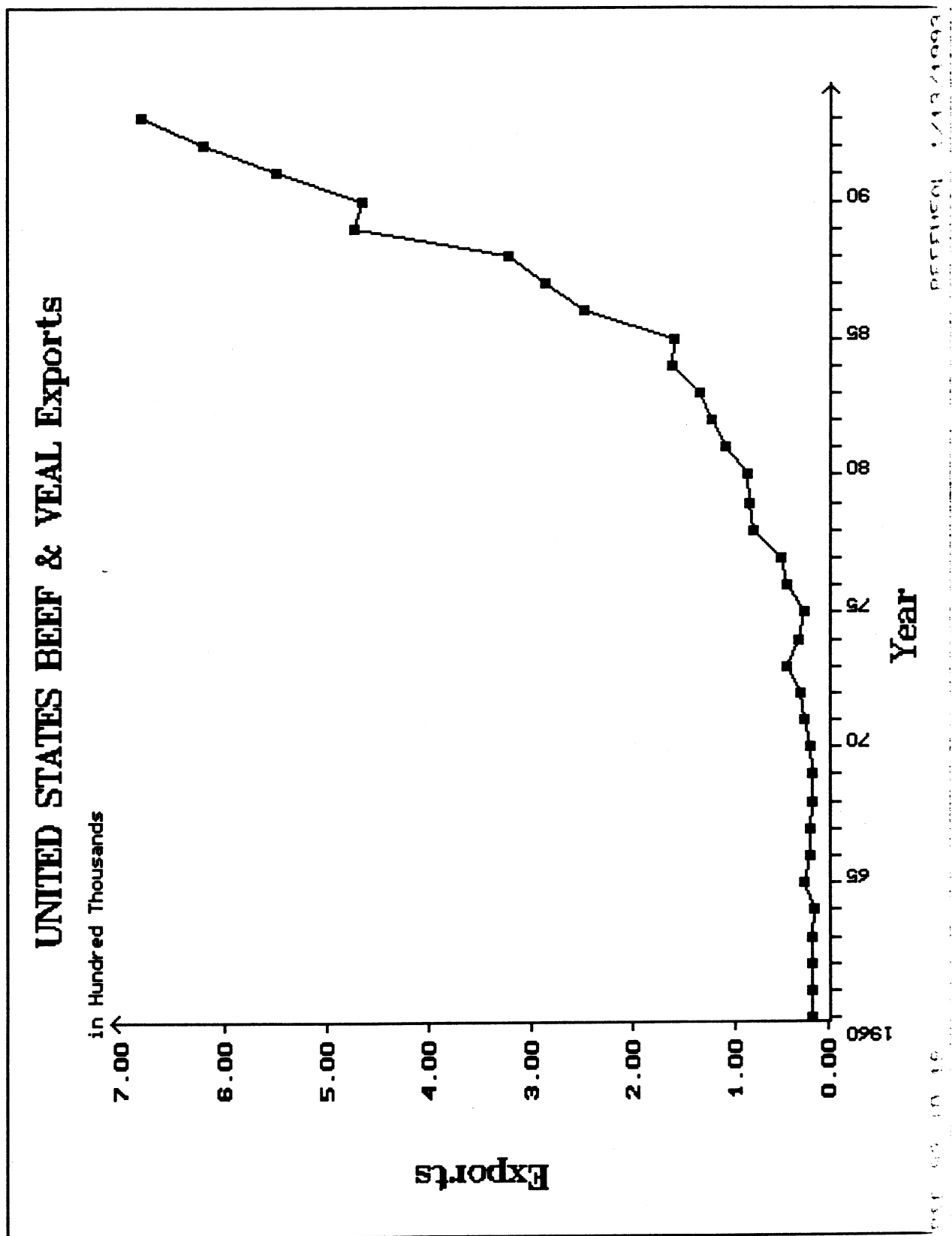
# UNITED STATES BEEF & VEAL PRODUCTION



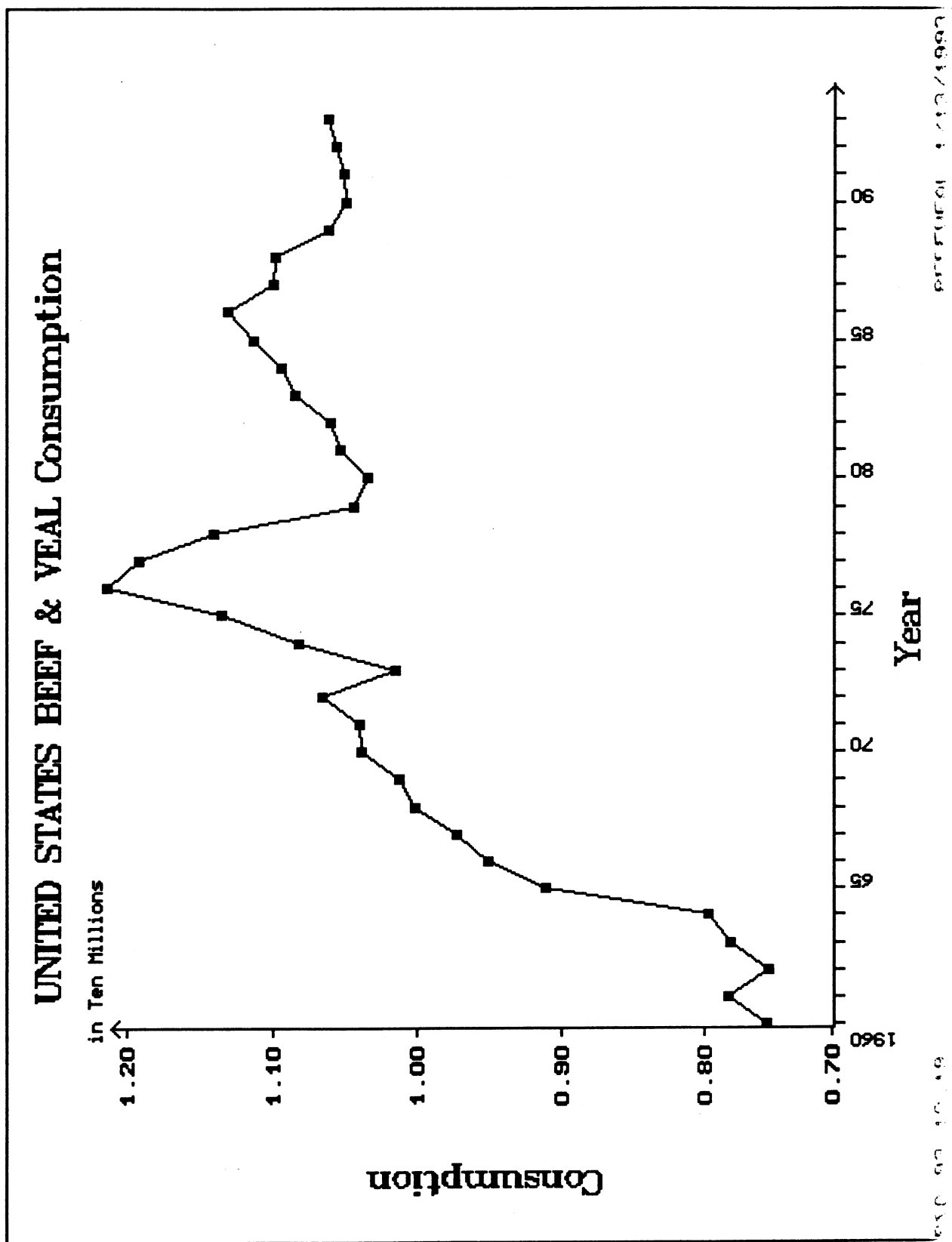
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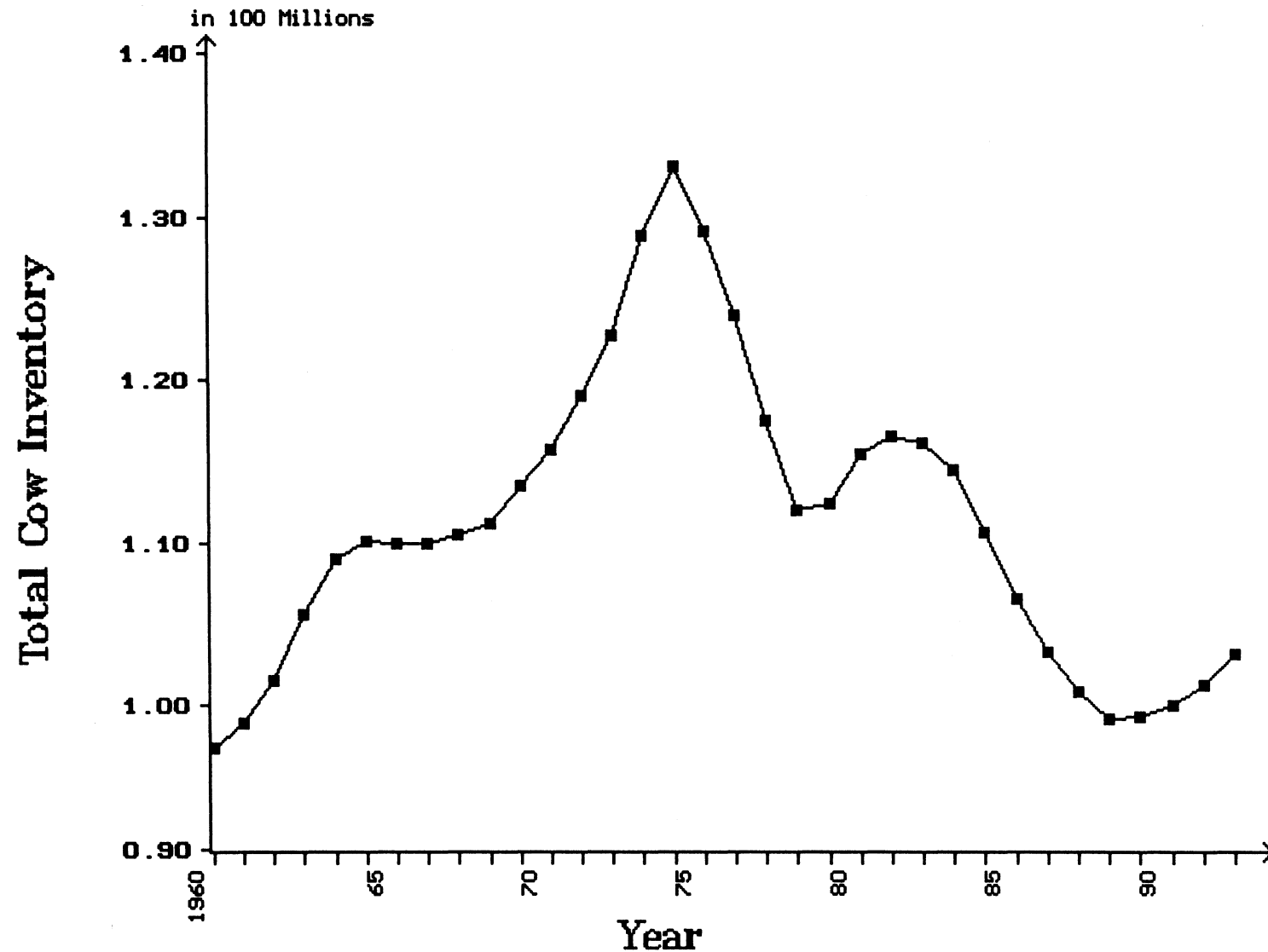








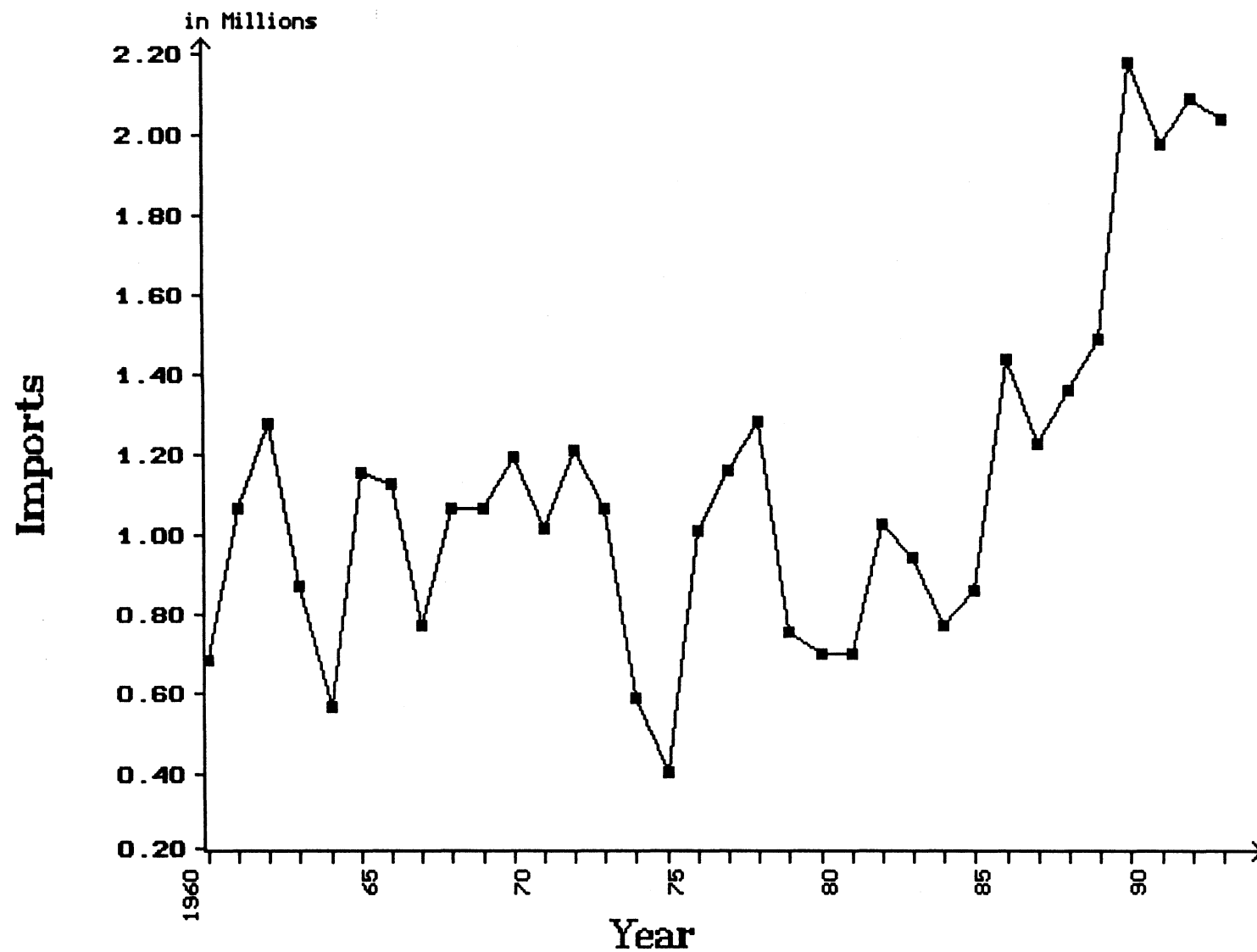
# UNITED STATES CATTLE & BUFFALO INVENTOR Total Cow Inventory



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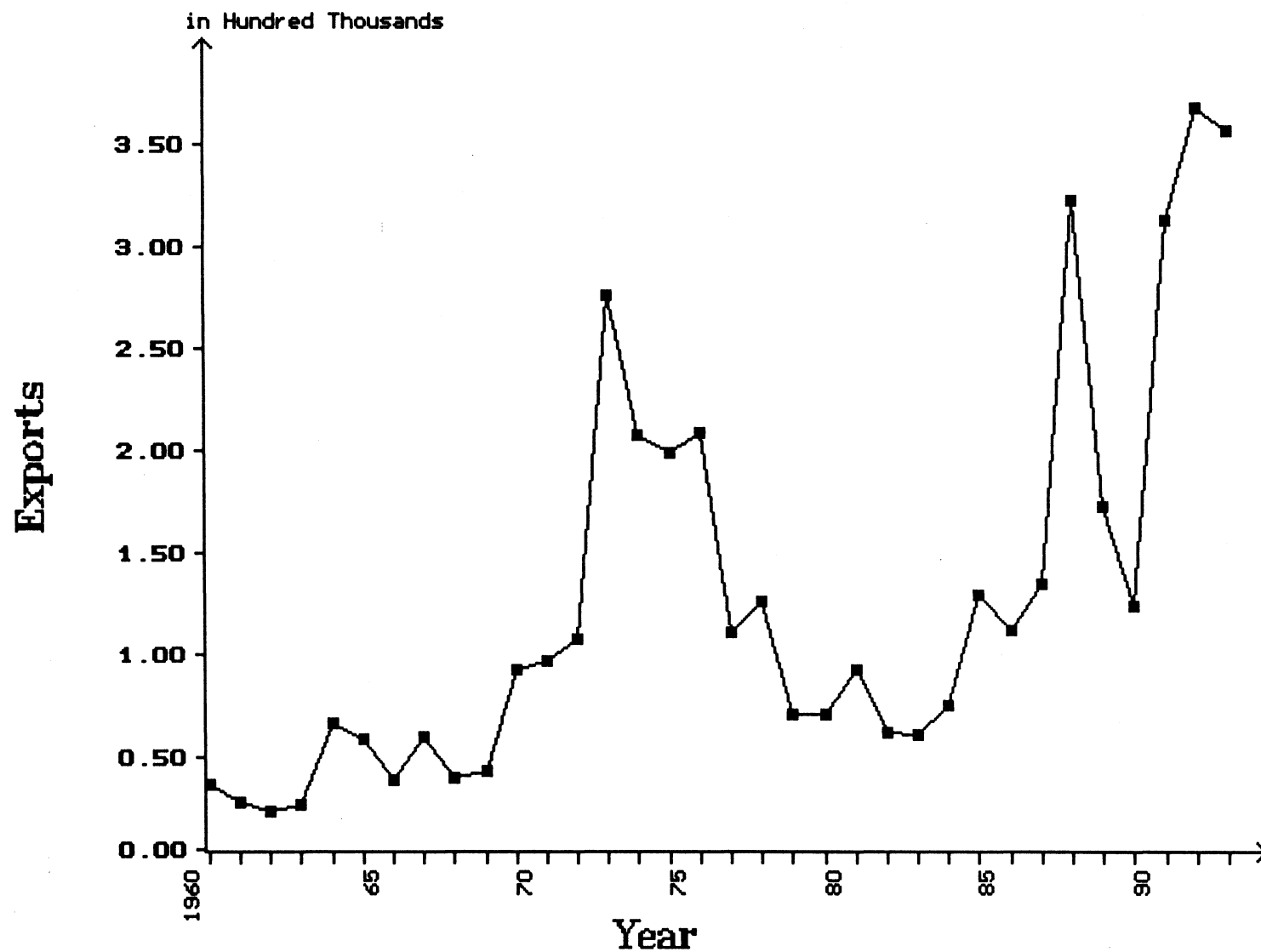
# UNITED STATES CATTLE & BUFFALO INVENTOR Imports



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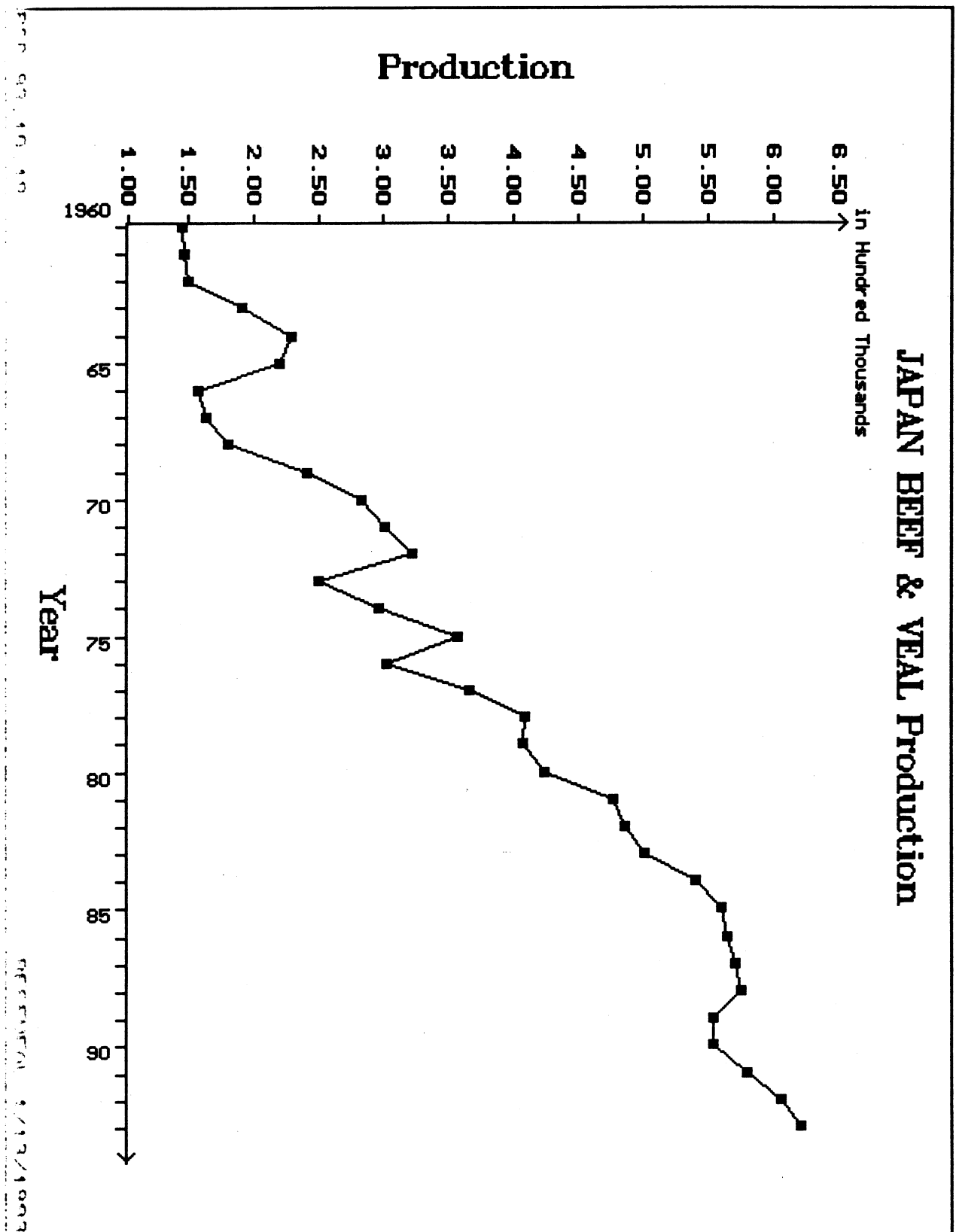
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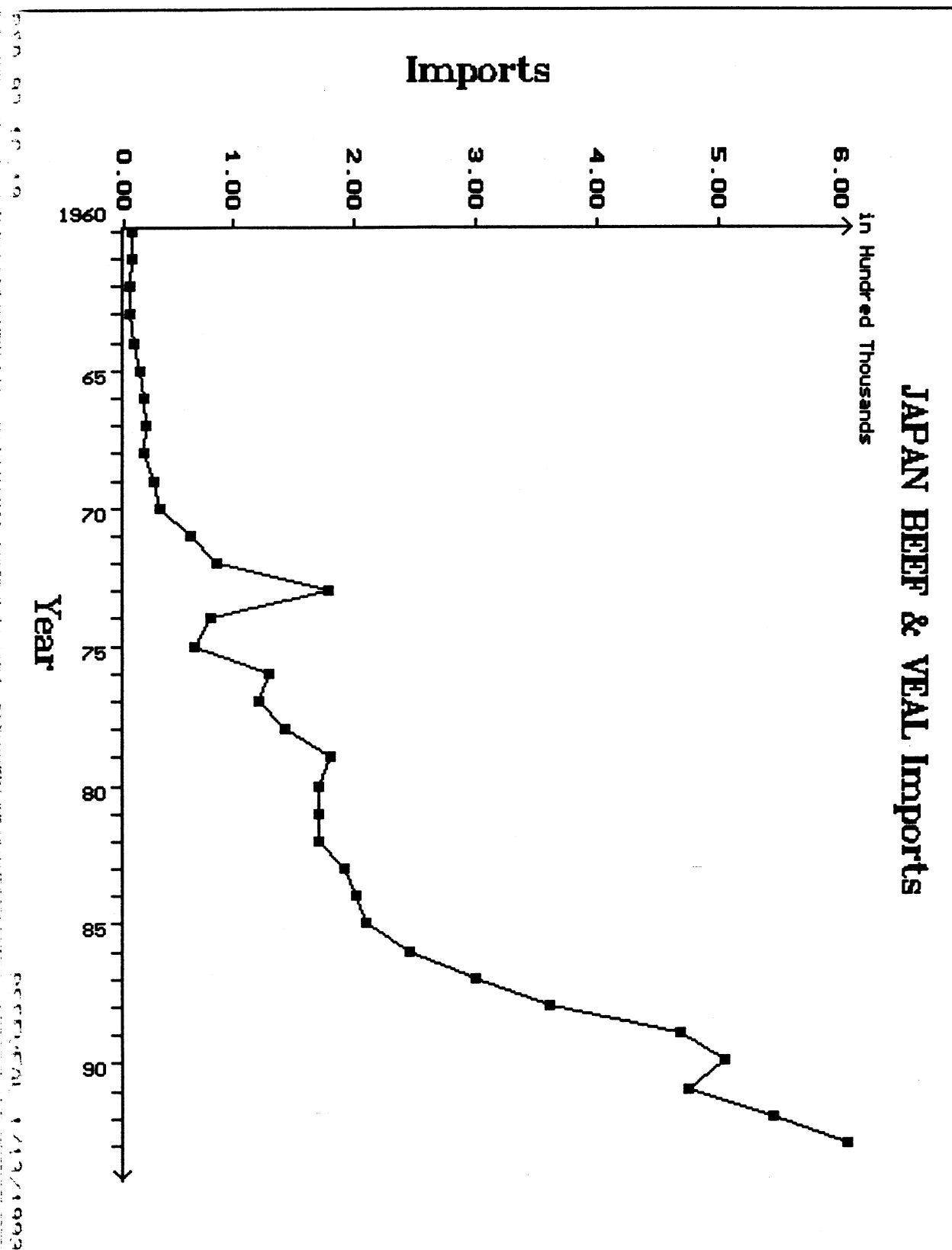
## UNITED STATES CATTLE & BUFFALO INVENTOR Exports

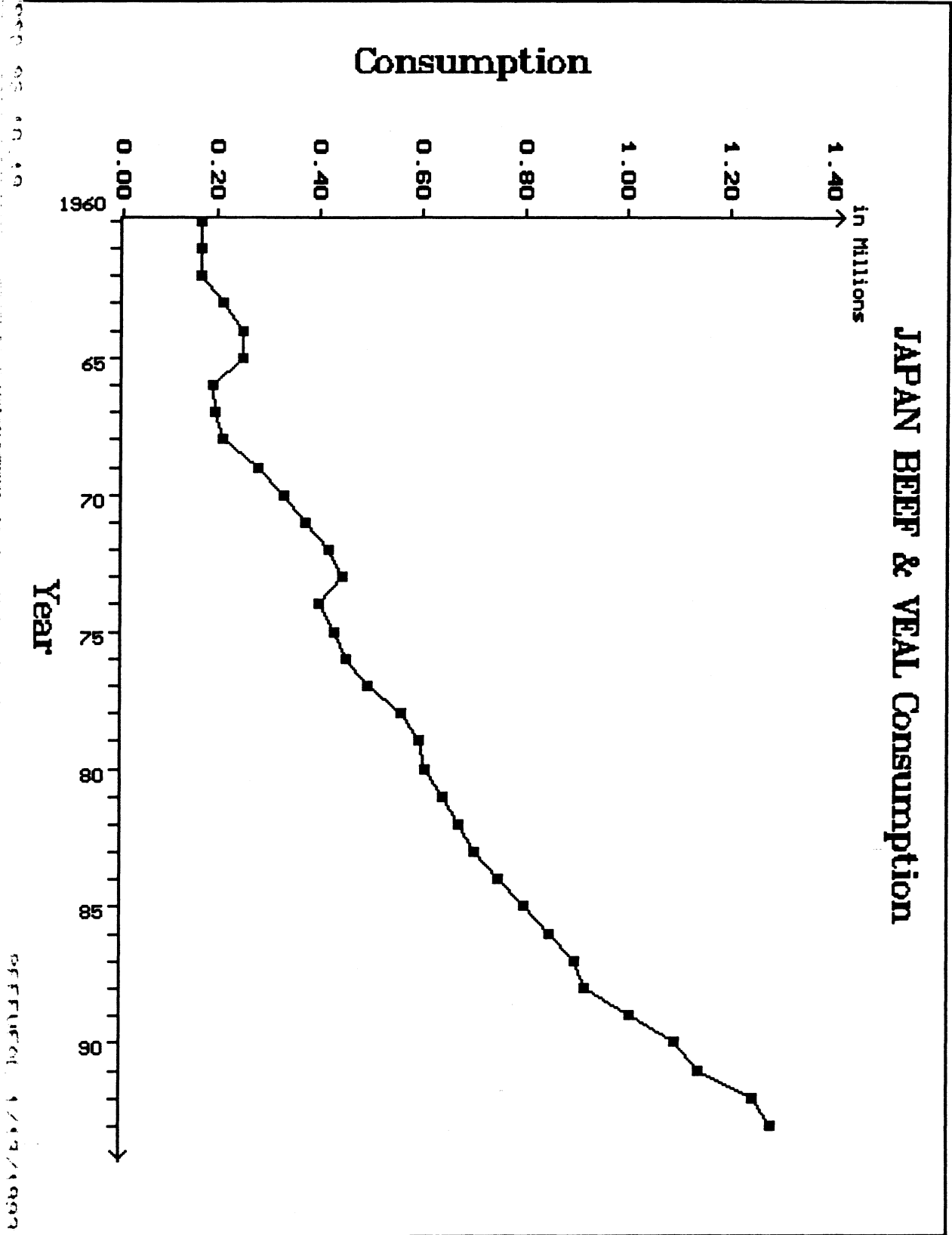


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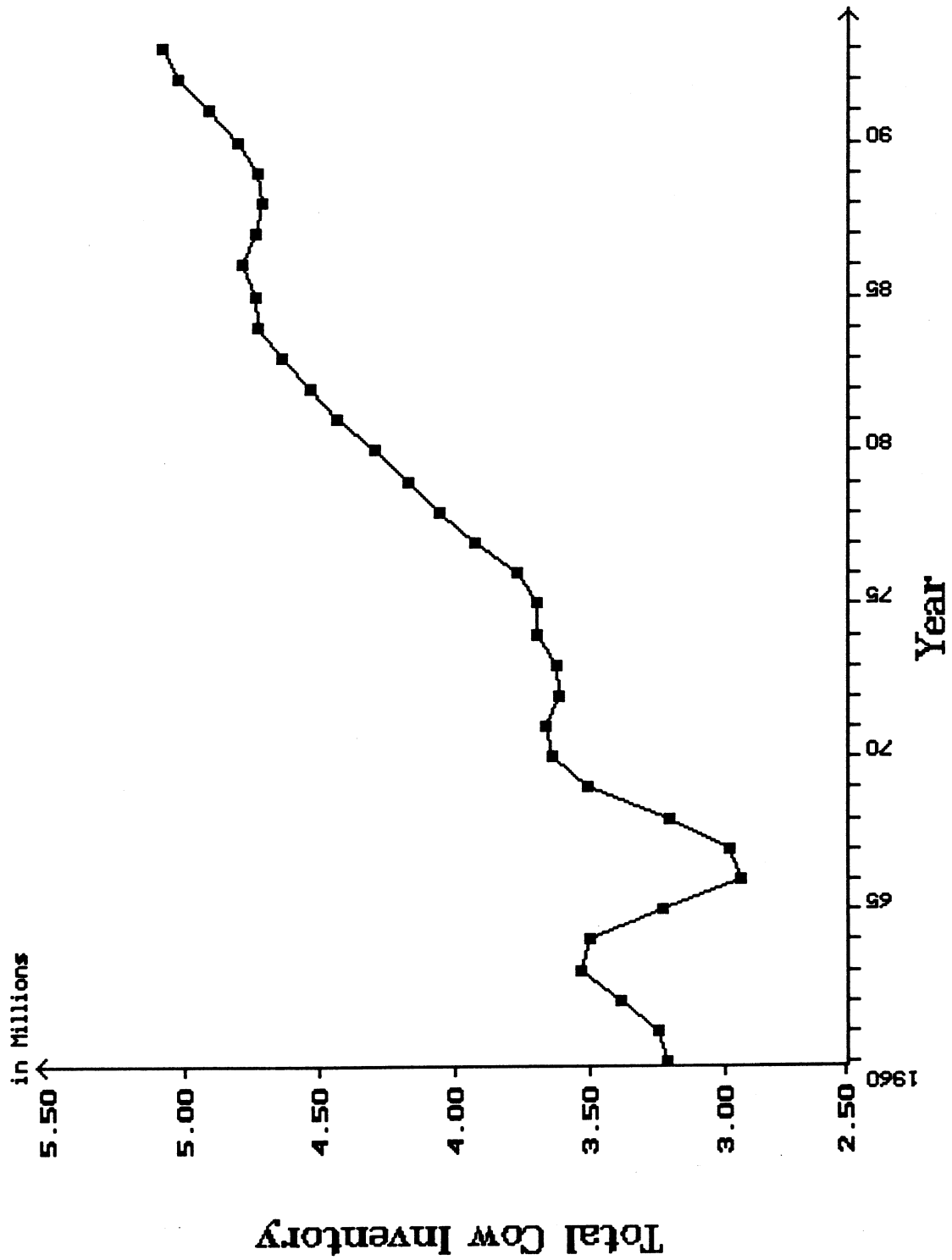
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# JAPAN CATTLE & BUFFALO INVENTOR Total Cow Inventory



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